



AmInvestment Bank

AmWatch

Equity Research Team
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3 May 2021

BURSA MALAYSIA

KLCI	1,601.65 (-6.85)
52-Week Range	1,375.39 – 1,695.96
Mkt Cap (RMb)	1,838.72
Daily Volume (m shares)	6,813.79
Daily Value (RMmil)	4,645.76

TOP 5 GAINERS

	Closing Price (RM)	Chg (RM)
PETDAG	20.16	0.38
STELLA	1.10	0.295
BKAWAN	18.50	0.28
LCTITAN	3.23	0.28
CAREPLS	2.91	0.27

TOP 5 LOSERS

	Closing Price (RM)	Chg (RM)
MPI	38.80	-0.86
TOCEAN	3.99	-0.81
KLK	22.00	-0.80
F&N	30.00	-0.56
HLFG	16.58	-0.42

REGIONAL MARKETS

Market	Index	1D (%)	YTD (%)
KLCI	1,601.65	-0.4	-1.6
Singapore	3,218.27	-0.1	13.2
Thailand	1,583.13	-0.5	9.2
Philippines	6,370.87	-1.8	-10.8
Indonesia	5,995.62	-0.3	0.3
Hong Kong	28,724.88	-2.0	5.5
Korea	3,147.86	-0.8	9.5
Taiwan	17,566.66	0.0	19.2
Japan	28,812.63	-0.8	5.0
Dow Jones	33,874.85	-0.5	10.7
Nasdaq	13,962.68	-0.9	8.3

ECONOMIC STATISTICS

	Close	1D (%)	YTD (%)
MYR/USD	4.0880	-0.4	1.7
OPR (%)	1.75	0.0	0.0
BLR (% Maybank)	5.40	0.0	0.0
NYMEX Crude oil			
US spot (US\$/barrel)	63.58	-2.2	31.0
CPO spot price (RM/tonne)	4,400.00	-0.1	14.3

STOCK FOCUS OF THE DAY

Telekom Malaysia: Expect strong 1Q from cost optimization and IRU sale **Buy**

We maintain our BUY call on Telekom Malaysia (TM) with an unchanged DCF-based fair value of RM7.10/share based on a WACC of 6.2%, terminal growth rate of 2% and neutral ESG rating of 3 stars. This implies an FY21F EV/EBITDA of 6.6x, which is over 40% below Maxis and Time dotCom.

Our forecasts are unchanged following our recent MS Teams discussions with management. Its 1QFY21 results, expected to be announced on 27 May 2021, could be a strong quarter given the group's continued cost optimization initiatives and lumpy sale of indefeasible rights of use (IRU) of wholesale submarine connectivity.

The proposed Celcom-Digi merger is unlikely to substantively affect TM's earnings given that Unifi Mobile does not significantly contribute to the group's revenue at this stage. Although TM does not provide any subscriber details, we understand that Unifi Mobile was slightly FY20 EBIT positive and continued to fare well in 1QFY21.

While TM is guiding for flat to low single-digit FY21F revenue growth, this will be supported by strong FY17–FY20 Unifi subscriber CAGR of 16% and rapid data demand escalation. Recall Unifi contributed 42% of FY20 revenue while TM Wholesale 20%.

Others:

Globetronics Technology: Expect softer 2Q before pick-up in 2H
Mr DIY Group (M): Achieves highest-ever earnings

Buy
Buy

QUICK TAKES

MSM Malaysia: Sells MSM Perlis to FGV for RM206.1mil

Plantation Sector: News flow for week 26 to 30 Apr

Buy
Neutral

RETAIL RESEARCH

Stocks On Radar: YKGI Holdings, Solarvest Holdings

NEWS HIGHLIGHTS

Covid-19: M'sia, S'pore to allow emergency visits from 17 May

Covid-19: Usage of ICU, CCU beds in Klang Valley has reached 90%, says Health DG

Sarawak Plantation: Mukah plans bearing fruit

US: Americans can't get enough of the stock market

DIRECT BUSINESS TRANSACTIONS ON BURSA MALAYSIA

Stock	Quantity (‘000)	Price (RM)	Turnover (RM’000)
WIDAD	40,000	0.500	20,000
AASIA	11,440	0.105	1,200
REVENUE-WA	4,500	1.300	5,850
SCNWOLF	1,470	0.310	456
SRIDGE	1,200	0.933	1,120
ENRA	800	0.630	504
UNIWALL	720	0.690	497
TECHNAX	540	0.130	70
HLT	200	1.300	260
TOPGLOV	127	5.670	720
YNHPROP	80	2.900	232
SHANG	70	3.650	254
MUDA	62	2.360	147
VSTECs	60	2.250	135

News Highlights

Covid-19

M'sia, S'pore to allow emergency visits from 17 May

Malaysia and Singapore yesterday agreed on the procedures and entry requirements for death and critically ill emergency visits ((DCEV) between the two countries, amid stricter border measures. The arrangement will be implemented from 17 May 2021 onwards. — *Bernama*

Covid-19

Usage of ICU, CCU beds in Klang Valley has reached 90%, says Health DG

The usage of critical and intensive care unit beds for treating Covid-19 patients in the Klang Valley has reached 90% as of this morning, said Health director-general Tan Sri Dr Noor Hisham Abdullah.

Based on reports sent to the National Crisis Preparedness and Response Centre (CPRC), he said six hospitals were found to have exceeded the alert threshold of bed utilisation rate at over 70%. They are the Sungai Buloh Hospital, Kuala Lumpur Hospital, Ampang Hospital, Serdang Hospital, Selayang Hospital and Tengku Ampuan Rahimah Hospital in Klang, with some of them already approaching 100%. — *Bernama*

Sarawak Plantation (RM2.35)

Mukah plans bearing fruit

Sarawak Plantation Bhd has recovered and rehabilitated another 1,000ha of oil palm area in encumbered estates in Mukah in central Sarawak last year.

The company retook control of these encumbered estates after it successfully negotiated win-win deals with involved villagers who disputed the land rights through mutual agreements. According to executive director Datuk Wong Kuo Hea, mutual agreements were signed for some 1,400ha in 2020 for both Mukah 1 and Mukah 3 estates. — *StarBiz*

US

Americans can't get enough of the stock market

Individual investors in the US are holding the highest level of stocks on record as they up the ante by borrowing to magnify their bets or buy on small dips in the market as major indexes climb to fresh highs.

Stockholdings among the nation's households increased to 41% of their total financial assets in April. That is the highest level on record, according to JPMorgan Chase & Co. and Federal Reserve data going back to 1952 that includes 401(k) retirement accounts. — *WSJ.com*

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